

## FOREIGN SHIPS GET NEW LIQUOR TRUCE

Mellon Withholds Regulations After the Cabinet Takes Up Issue.

### TO PRESS FOR OPINION

Plea to Be Made to Brandeis for Early Supreme Court Action.

### CUNARD LINE REASSURED

Its Counsel Told the Government Plans to Proceed Cautiously.

Special Dispatch to THE NEW YORK HERALD.

New York, Oct. 24. (Herald Bureau.) Secretary of the Treasury Mellon may postpone a rigid application of the Daugherty ship liquor ruling to foreign ships until they have adjusted themselves to the new regulations or until the Supreme Court has passed on the question.

After a discussion of the ship liquor issue at the cabinet session to-day there were intimations that the administration had decided to mark time on the application of the ruling to foreign companies.

The regulations were completed by the prohibition unit of the Treasury, but in all probability will be held up for several days while Secretary of the Treasury Mellon, in consultation with Attorney-General Daugherty, formulates some temporary policy.

A declaration from the Treasury is expected to-morrow.

Franklin E. Lord of New York, counsel for the Anchor-Cunard Line, conferred with Mr. Mellon relative to the status of vessels about to sail from New York with their normal supply of liquor on board. Mr. Lord desired to learn whether there was any danger of enforcement officials upsetting the schedule of the Olympic, due to sail to-morrow, and the Carmania, due to sail later in the week.

Any interference with these ships, he stated, would not only cause great loss and delay, but great inconvenience to hundreds of passengers. Mr. Mellon went to the cabinet meeting after his talk with Mr. Lord and laid the situation before the President. After the meeting the Secretary again conferred with Mr. Lord, when assurance was given that it was the purpose of the Government to go slow in bringing foreign vessels into the dragnet of the Daugherty ruling. An announcement to this effect from Mr. Mellon is expected within twenty-four hours.

Mr. Daugherty, who was at the cabinet meeting, was also asked to postpone the application of the liquor regulations to foreign ships until the Supreme Court has passed on the question.

Commissioner of Internal Revenue Blair, prohibition Commissioner Haynes and Chief Counsel Britt for the prohibition unit were summoned to Mr. Mellon's office following the cabinet session. After this conference the Secretary informed the Attorney-General that a statement of policy would not be issued to-day, and at the same time arranged for a conference with Mr. Daugherty to-morrow.

Mr. Mellon has asked the Attorney-General to pass on some other questions, regarding the liquor regulations and these as well as the foreign ship issue will be fully discussed before any statement is made.

The administration is doing everything possible to hasten a hearing before the Supreme Court. A chief here is that a loophole can be found whereby it will be possible to overlook foreign vessels until after court action.

District Attorney Haywood of New York passed part of the day at the Department of Justice discussing with officials the preparations for the test case before the Supreme Court. He has an appointment with Associate Justice Brandeis to-morrow, and he will ask the latter to do everything possible to expedite action by the court on the ship liquor issue.

## SHIPPING COMPANIES SEEK RELIEF OF SUPREME COURT

Will Ask To-day for Stay to Protect Liquor Stocks of Liners Until Court Can Act on Appeal of Judge Hand's Decision.

Counsel for ten foreign and two American steamship companies, whose applications to enjoin the putting into effect of the Daugherty liquor ruling were dismissed yesterday by Judge Learned Hand in United States District Court, will appeal to-day to a Justice of the United States Supreme Court at Washington for a super-sedeas stay, holding up enforcement of the Attorney-General's decree until the Supreme Court can act on the appeals from Judge Hand's decision.

Cletus Keating, attorney for the International Mercantile Marine Company, will be in Washington to present the application of the twelve complaining companies. He expects an immediate granting of the stay, which will enjoin Federal officers from molesting the liquor stocks of the complainant companies. Associate Justice Brandeis probably will be chosen to hear the plea of the steamship lines, Mr. Keating said last night.

"The filing of our petition to obtain the super-sedeas stay," said Mr. Keating, "will be made concurrently with the filing of our appeal from the decision of Judge Learned Hand."

### Big Point Unsettled.

The appeal from Judge Hand's decision, attorneys for the complaining companies said, probably will not be heard by the Supreme Court until after Christmas. Enforcement of the Daugherty ruling in the meantime, it was pointed out, will cause heavy losses to the lines unless relief is granted in the form of a stay that will override the decision of Judge Hand.

### DRIVER SAYS FARLEY MADE \$6000 ON BUS

Continued from First Page.

amized here last night that you asked Mr. Farley to give you a helping hand to get you on one of the lines and then you bought the bus after he had said he would help you get on the line?"

"He simply stated that if I buy the bus, he will see that I go to work," replied the witness.

### Another Non-Voter Barred.

D. Antonelli, who drives a bus under supervision of the Department of Plant and Structures, testified that he was one of the Whelan pioneers, having operated now for two and a half years. He bought a bus for \$1,800 before he had obtained a permit. Then he saw Senator Duggan, who took him to see Frank Bowers. The latter, he testified, was at the time in the office of P. H. La Guardia, then President of the Board of Aldermen. Mr. Bowers, in turn, saw Mr. Riegelmann, who was secretary to Commissioner Whelan and a brother of the Borough President of Brooklyn.

Mr. Riegelmann gave Antonelli a letter to Fred Richter, supervisor of buses for Commissioner Whelan's department and Richter placed him on the Flatbush avenue line in Brooklyn.

This witness, like several who testified last week, swore that he had been laid off last March on the ground that he was not a voter. He was restored to duty after he had obtained his citizenship papers and had shown them to Supervisor Richter and Commissioner Whelan.

Antonelli said he had formerly placed his insurance with a man named Huse, but that last month he changed over his business to Sinnott & Canty, the firm of which the brother of the Mayor's son-in-law is a senior member.

"Why did you change to Sinnott & Canty?" asked George O. Redington, counsel to the commission.

"Well, their man Grein was always around there, at the Delancey street terminal," said the bus driver, referring to Frederick Grein, "and I gave him the insurance." This witness said he was a member of the High Bridge Democratic Club.

Joseph J. Tino testified that he had

controversy, so far as American lines are concerned," said Mr. Keating, "is yet to be settled by Judge Hand. By the end of the week we expect him to rule on the question of whether American vessels have a right to sell liquor on the high seas provided they do not bring it into American territorial waters. Judge Hand will rule on this question at the request of the two American lines and William Hayward, United States Attorney. He will decide whether American ships, outside of American waters, are American territory. An adverse ruling on this phase of the Daugherty ruling will be a severe blow to American lines, for it is obvious that foreign vessels cannot be prohibited from taking on and discharging liquor cargoes at nearby foreign ports."

### Several Bonds Furnished.

"Judge Hand's original decision did not actually dismiss the cases of the American lines, as it did not define the Daugherty ruling as meaning that American vessels cannot sell liquor on the high seas. His supplemental ruling will define this phase."

Several of the foreign lines furnished bonds of \$50,000 each yesterday to insure compliance with the decision of Judge Hand, which restrains Federal officers from confiscating liquor cargoes of crews on foreign vessels, where the laws of the nation under whose flag the vessels are flying require such actions. The companies were the Anchor-Cunard Line, International Mercantile Marine Company and the International Navigation Company. The other involved companies are expected to complete the records for similar bonds to-day.

The White Star liner Majestic, largest passenger vessel afloat, arrived in port yesterday with her liquor under seal. She cleared for America prior to October 21, the date the Daugherty ruling became effective, and therefore will be permitted to take back her liquor stores.

been operating a bus since Mayor Hylan's pet enterprise was inaugurated. After several shifts of route caused by successive court injunctions suppressing some of the lines, Tino turned up on Avenue C, which he designated as "the starvation line." He said it was the "worst in the city."

Why he had been shifted to this un lucrative berth he was told by Supervisor Richter, he testified, that it was because he had not voted at the last election. Tino said he was a citizen all right, but had the misfortune to be ill at the time of registration.

### More Sinnott Insurance.

Then the witness applied for help to Alphonse Bonaiuto, president and organizer of the Cosmopolitan Italian Democratic Club of the Second Assembly District, 32 Morris avenue, The Bronx.

That gentleman, in the name of the club, wrote him the following letter of introduction addressed to Commissioner Whelan in the Municipal Building:

"This will serve to introduce to you, Mr. Joseph J. Tino of 234 East 151st street, Bronx. Mr. Tino has been a member of this club for a long time and is quite active in the neighborhood. He is a citizen of unblemished record. Having something of importance to speak to you about, we thought of having him meet you personally by means of this letter."

Tino took the testimonial with him when he went to the Municipal Building on April 11 and gave it to Mr. Cronin, Commissioner Whelan's secretary. Then Tino received a bus route in Jamaica.

This witness was another who originally had given his insurance business to Huse, but had transferred it to Sinnott & Canty.

Tell why he had made the change, Tino said the first company insisted upon prompt payment of premiums, while Sinnott & Canty allowed some margin of time for payments.

The hearing will be resumed this afternoon.

David Hirschfield, Commissioner of Accounts, wrote a letter yesterday to Commissioner Whelan, congratulating him upon his "splendid supervision" of the city controlled bus lines. "It must be a source of gratification to you," wrote Commissioner Hirschfield, "to witness the spectacle of a traction-controlled Transit Commission, appointed by a traction Governor, to do the bidding of the traction interests, resulting to the clasp that is being dished out daily by that commission in the hope of helping Gov. Miller's campaign."

Under the Transit Commission's plan of construction, a new Forty-second street cross-town line is provided for the relief of the shuttle service. This line the Mayor leaves entirely out of his proposed construction plan, for the very clear reason that, for his purposes, there would be no use for it.

"(2) Passengers taking trains on either of the present lines in northern Manhattan and The Bronx for destinations down town would have to remain on either the west or the east sides for the whole distance south, or pay an additional fare for the transfer as

## McANENY SHOWS 10 C. FARES IN Hylan PLAN

New Analysis Points to Exact Places at Which Increase Would Come.

### HITS TRANSFER LINES

Five Cents Additional at Forty-second and Canal Street Stops.

### AFFECTS BROOKLYN MOST

Transit Chairman Specifies What Double Rates Will Mean to Passengers.

George McAneny, chairman of the Transit Commission, yesterday pointed out the exact places where extra fares would be charged if Mayor Hylan's subway plan were adopted. He showed that the city would be tied in a web of increased rates at transfer points. His statement follows:

"While obstructing any workable plan of immediate new subway building, Mayor Hylan has made it plain that if he were to have his way the existing dual system would be torn apart and double fares charged—some of the lines to be operated by this city for one five cent fare, and some by the companies for other five cent fares. The Transit Commission has had a careful examination made as to what the effect of his plan would be upon existing traffic. It appears, under the Mayor's plan, that:

"(1) The Interborough subway lines on the west side of Manhattan would be separated from those on the east side of the city through one of its departments operating the Broadway-Bronx line south on Seventh avenue and under the East River to Atlantic avenue and the Eastern Parkway in Brooklyn, while the company continues to operate the Lexington avenue line, with its Bronx branches, and the Fourth avenue line south of Forty-second street to Atlantic avenue only in Brooklyn. All passengers transferring between the lines by way of the Forty-second street shuttle, bound either to the Grand Central and points north or south, or to Times Square and points north or south, would be required to pay an additional five cent fare.

"No Cross-town Line.

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"(2) Passengers taking trains on either of the present lines in northern Manhattan and The Bronx for destinations down town would have to remain on either the west or the east sides for the whole distance south, or pay an additional fare for the transfer as

Forty-second street. Passengers carried from the down town business district north, inversely would do likewise.

"(3) While passengers coming into Manhattan from the borough of Queens could transfer north or south on Broadway or Seventh avenue by crossing to Times square, then on to the Lexington avenue or south on Lexington avenue at Grand Central station, have to pay an extra fare.

"(4) Passengers coming in over the present Brooklyn elevated lines to down town Manhattan through the Center street loop would still be carried for a single fare, but the Brooklyn elevated passengers bound north from Canal street would have to pay a second five cent fare.

"(5) The volume of the present traffic at Canal street is shown by the mass of people moving every morning and evening over the street surface between Center street and Broadway. All of these, which include many thousands of workers in the mid-Manhattan industrial district are now transferred without extra charge. Every one of them, under the Mayor's plan, would pay an extra fare.

"Brighton Rate Doubled.

"(6) Passengers carried by the Brighton Beach line, who now pay a five cent fare from points in central and northern Manhattan, or even from Long Island City, to Coney Island, would also in future pay a double fare.

"(7) The great new cross-town line in Brooklyn would also be cut out from points of transfer with the Brooklyn elevated lines to Manhattan, privileges now secured in advance under agreements with the company made part of the dual contract; and

"(8) Further double fares would be paid by passengers on the Interborough line in Manhattan who now transfer without extra charge to the elevated lines in the Bronx.

"Against these losses there would be some compensating gain through the cutting out of a few existing double fare points, as, for instance, at the present crossing of the separately operated Interborough and B. R. T. lines at Times square, at points on the two systems where they now intersect at Flatbush avenue in Brooklyn. These, however, would be of slight importance compared with the destruction of the existing single fare facilities.

"The separate operation of the present East Side subway would bring one set of the double fares, and of those parts of the elevated structure that the companies own; the other, the losses to the fare paying public would be great at every indicated point, but particularly severe in Brooklyn, where all of the elevated lines are company owned, but linked with the subways under the dual system for a five cent fare. Five hundred and six thousand passengers are carried daily from Brooklyn to and from Manhattan on the elevated lines The Mayor would have set apart for separate operation. While a majority of these use the Center street loop and would, therefore, be protected, a portion almost as great would be transferred north of Canal street and pay the double fare.

"There is, of course, absolutely no need for any of this breaking up at the present time. In negotiating the dual contracts the representatives of the city insisted that at any time after ten years following their first year of operation the new parts of the system then provided for and owned by the city might be recaptured upon payment to the companies of their share of the investment in them, plus 12 per cent. This would mean that if the dual contracts are terminated, as the Mayor proposes, although this could not occur before 1928 and 1927—and the city owned lines taken over, of course, be operated separately if the city were foolish enough to do so; but that all of the other advantages of the united system, including the present single fares, would be lost.

"The next consideration of importance is that as the city, during the next five years, could not possibly spare more from its debt margin than the \$18,000,000 required to retire the companies'

interest, practically nothing would be left at all for new subways. Such an amount would come very near to paying the cost of the five year construction program the Commission has put forward. As the Mayor would have it, actual building would thus be sacrificed in return for the theoretical advantage of substituting city for company bonds in the ownership of the existing lines, and the very practical result of the further breaking up of the single five cent fare system.

"Chiefly it is a 'double fare' plan, to be brought about through the same sort of disintegration that has broken the surface system into fragments, and that, in the single year ending June 30, 1921, imposed the double fare upon 183,000,000 street car passengers who had previously ridden for one.

"The House Judiciary Committee has not been disposed to take the charges seriously and probably there would be no investigation unless demanded by Mr. Daugherty. It may take some pressure, it is recognized, to induce the committee to go ahead.

DAUGHERTY TO FORCE ACTION BY ACCUSERS  
Attorney-General Will Not Allow Charges to Drop.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau.

Washington, D. C., Oct. 24.

Attorney-General Daugherty intends to have a showdown with his critics in Congress and will insist on the House Judiciary Committee going ahead with the impeachment proceedings demanded in a resolution by Representative Oscar E. Keller (Rep. Minn.).

Mr. Daugherty is confident the charges criticizing his attitude on labor will be found baseless and that behind them will be discovered purposes "valuable and visible" which will be satisfactory to his record.

The House Judiciary Committee has not been disposed to take the charges seriously and probably there would be no investigation unless demanded by Mr. Daugherty. It may take some pressure, it is recognized, to induce the committee to go ahead.

ARRESTED IN \$2,500,000 SWINDLE ON VETERANS  
Former U. S. Commissioner Held in Arizona Land Plot.

Phoenix, Ariz., Oct. 24.—James R. Lennox, former United States Commissioner at Sentinel, Ariz., was arrested at Indianapolis yesterday on an indictment charging complicity in an alleged soldier land fraud in which ex-service men and disabled soldiers were said to have lost approximately \$2,500,000.

Approximately 500 ex-service men from many States who filed an alleged worthless desert lands in southwestern Arizona in 1920 under the belief that the Government was to reclaim the land for the benefit of ex-service men were the victims of the alleged fraud.

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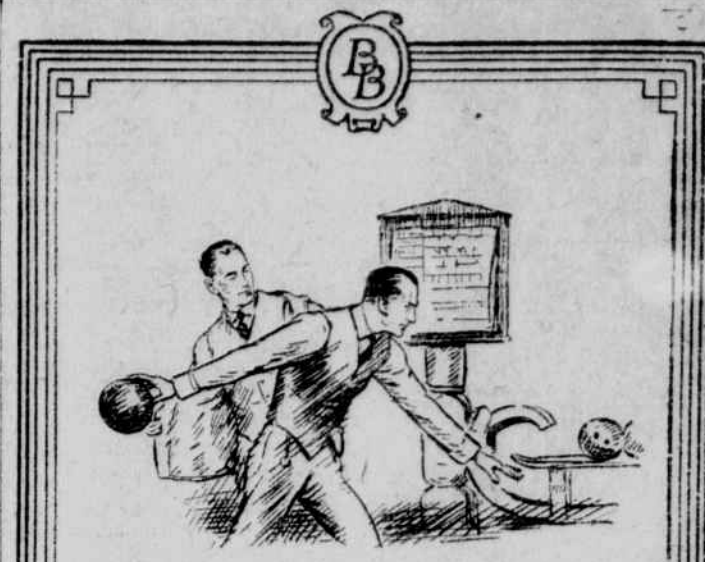
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